

Carroll County Public School System Economic Value Study

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Value Classifications

- **Value 1: Economic and employment impact from CCPS operations**
- **Value 2: Economic value of degrees awarded**
- **Value 3: Economic development impacts**
- **Value 4: Reduction in public costs**

CCPS Value 1

Impact 1: Regional spending and employment benefits affiliated with CCPS' annual Operating and Capital budgets (on a disaggregated basis)

Spending on salaries, supplies, equipment, construction, and other operational supports

- **generates income and benefits to employees, contractors, and vendors**
- **employees, contractors, and vendors will, in turn, reinvest a portion of these funds in the local and regional economy (*multiplier* impact of CCPS' Operating and Capital budgets)**

CCPS Value 2

Value 2: Economic value of degrees awarded

Graduates of CCPS have a higher economic value than those who have not attained a high school diploma

- **improved academic performance of high school graduates likely leads to improved college academic performance and a greater likelihood of attaining a college degree**
- **high school and college degree attainment further accelerates lifetime earning levels and improves the odds of gainful employment**

CCPS Value 3

Value 3: Economic impact on local wealth

Well performing schools correlate to a positive wealth effect and a premium in local property values (*which increase the taxable base and, as a result, net tax yields*).

Essentially enhances the ability of a county to attract and/or retain families with skilled and professional workers who are net wealth creators.

CCPS Value 4

Value 4: Reduction in public costs as a result of graduating with a High School diploma

- **Lower**
 - ❖ **Crime rates**
 - ❖ **Unemployment/underemployment levels**
 - ❖ **Welfare expenditures**
 - ❖ **Public health care costs**
 - ❖ **Etc.**

Inputs

- **In order to have accurate inputs, expenditures and employment data were gathered from the school system**
- **Data included:**
 - ❖ **Detailed expenditures**
 - **Includes all funding sources**
 - ❖ **Number of employees**
 - ❖ **Employee breakdown by salary**
 - ❖ **Employee breakdown by county of residence**
 - ❖ **All data is from FY 14 (actual)**

Value Estimation Process

Values 1

- **IMPLAN- economic impact estimation software**
 - ❖ **Data collected and analyzed from a variety of sources to build the economic models**
 - ❖ **Available at the local level**

Values 2, 3, & 4

- **Develop algorithms based on current research that relate academic outcomes to economic and quality-of-life factors**

Value Estimation Process

- **Not all money spent in the county is retained in the county**
- **Leakage—the spent money that leaves the county**
 - ❖ **Results when vendors outside of the county are utilized and when employees spend their paychecks outside of the county**
- **The values estimated are those that are retained within the county**
 - ❖ **An important part of the conversation is how to decrease leakage and retain more of the economic value**

Estimated Annual Impact of Public School Operating Budget

Every \$1.00 in operational monies spent by CCPS and retained in the county results in total spending locally of \$1.44.

Economic and Employment Impact of CCPS Operating Budget

	Economic (\$ millions)	Employment
Direct Effect	\$305.96	4,129
Indirect Effect	\$6.11	59
Induced Effect	\$128.16	1,179
Total Effect	\$440.22	5,367

Estimated Annual Impact of Public School Capital Budget

Every \$1 in capital spending that is retained in the county results in total spending locally of \$1.51. For every \$1 million in CCPS capital spending, 9.1 additional jobs are supported in the county.

Every \$1 in capital spending that is spent and retained in the state of Maryland results in total spending locally of \$1.79.

Economic Impact of CCPS Average Annual Capital Spending (10 Year Average)		
(\$ millions)		
Impact	Carroll County	Maryland
Direct Effect	\$0.51	\$0.57
Indirect Effect	\$0.11	\$0.16
Induced Effect	\$0.16	\$0.29
Total Effect	\$0.77	\$1.02

Estimated Value of Degrees Awarded, High School Graduates

In recent years, CCPS has annually graduated students who will realize an additional lifetime earnings of approximately \$92.39 million (estimated total present value). The present value of the county income tax to be paid on these additional earnings is approximately \$2 million per graduating class.

Estimated Value of Degrees Awarded, College Graduates

Based on the improved college-readiness of CCPS seniors, approximately \$484.11 million in additional lifetime earnings can be attributed to CCPS graduates that are forecasted to successfully graduate college. The present value of the county income tax to be paid on these additional earnings is approximately \$10.53 million per graduating class.

Impact on Property Values

The additional economic activity generated by CCPS graduates who work and spend in the county positively impacts property values and property tax revenues. Each graduating class is estimated to add over \$46 million in real property values and \$471,135 in real property tax revenues.

Reduced Public Costs

- **Over the past five years, each CCPS graduating class has been associated with:**

Over \$85 million in savings in future public health-care costs.

Over \$56 million in savings in future crime related costs.

Approximately \$6 million in savings in future welfare costs.

Thank You!

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